

Alta Healthcare District
Policy No. XVII - Financial Reserves
(Adopted 2/18/2021)

It has been recommended by the Local Agency Formation Commission for Tulare County (“LAFCO”) that Alta Healthcare District (“Alta”) establish a policy regarding financial reserves. The purpose of the Policy is to help Alta to manage its resources, while not allowing funds to build up above certain levels or fall below certain levels.

Recitals

WHEREAS, Alta has no physical property, real or personal so no reserve is needed for capital maintenance, repair or replacement of items;

WHEREAS, Other than the Board Alta currently has no employees and so there is no need for a reserve to deal with ongoing personnel expenses;

WHEREAS, Alta does have ongoing operational expenses related to professional consultants;

WHEREAS, Alta also has general operational expenses that must be met;

WHEREAS, Alta’s focus is to make grants to non-profit and governmental agencies to carry out its mission as a local healthcare district;

WHEREAS, Alta from time to time will make grants covering periods of time beyond the current or single fiscal year; and,

WHEREAS, it is the responsibility of Board of Alta to manage the finances in order to cover both immediate and long term needs.

THEREFORE, if reliance of the above recitals Alta adopts the following policy related to financial reserves and their use:

1. Multi-Year Commitment Reserves. From time to time Alta may make grants which fall outside of the current fiscal year. When that occurs funds from the fiscal year in which the grant is approved shall be set aside to cover the full amount of the future fiscal year’s commitment.
2. Operational Reserves. Each fiscal year Alta approves a budget which includes its anticipated operational expenses. Alta shall maintain a reserve sufficient to cover at all times the expenses budgeted for the following six (6) month period.
3. Emergency Reserves. Unexpected healthcare needs can arise that are not anticipate within any fiscal year’s budget. Alta will set aside One Hundred Thousand Dollars (\$100,000) from the budget for emergency funding of items arising through the year that could not be anticipated at the start of the fiscal year. If amounts are spent out of this fund they shall be replace with the next available funding of Alta to keep the fund at \$100,000 from year to year.
4. Investing Reserves. All above reserves shall be invested and maintained in compliance with the Alta Investment Policy (Policy No. VI) as modified from time to time.

5. Budgeting. Outside of these three reserves Alta should budget annually to use its remaining funds on projects and programs that meet their mission and make the best and most efficient use of the District's resources.